

Latest Trends in Nonfarm Jobs and Earnings

In the 1996 Rural Industry issue of *RCaT*, we reported changes in nonfarm jobs and earnings during 1992-93. And, in the 1996 Socioeconomic Conditions issue of *RCaT*, we reported changes in earnings during 1993-94. With the release of 1995 data by the Bureau of Economic Analysis in September 1997, we now can publish the following estimates of changes in nonfarm jobs and earnings during 1994-95.

Jobs

The 1995 estimates show nonfarm jobs increasing at about the same rate in both nonmetro and metro areas, 2.3 and 2.2 percent (app. table 7). That is about the same rate of job growth that nonmetro areas have averaged since the 1990-91 recession ended, 2.2 percent. Metro job growth picked up in 1995 compared with its annual average growth of 1.7 percent during 1991-95.

During 1994-95, agricultural services, construction, wholesale and retail trade, and services added jobs at a faster than average rate in both nonmetro and metro areas. Manufacturing, retail trade, and both State and local governments added jobs at slightly faster rates in nonmetro than in metro areas.

By region, job growth in New England and the Mideast continues to lag growth in the other regions, in both nonmetro and metro areas. The Rocky Mountain region continues to lead all other regions in both areas.

Earnings per Nonfarm Job

Real earnings per nonfarm job increased during 1994-95, 0.8 percent in nonmetro areas and 1.4 percent in metro areas (app. table 8). The nonmetro increase was about the same as annual average nonmetro earnings growth since the last recession, but the metro increase in earnings per nonfarm job picked up in 1995 along with metro job growth.

Nonmetro construction jobs averaged lower real earnings in 1995 than in 1994, while all other nonmetro industries averaged higher earnings in 1995. The fastest earning growth was in finance, insurance, and real estate followed by Federal military jobs. The large drop in Federal military jobs must have been more concentrated among lower ranking personnel, raising the average earnings of the remaining personnel.

Real nonfarm earnings per job increased in both nonmetro and metro areas in all BEA regions. In all regions, metro earnings growth exceeded nonmetro growth. Among nonmetro regions, earnings growth was fastest in the Plains and Southeast. Among metro regions, earnings growth was fastest in the Rocky Mountain and New England regions.

Trends in Earnings per Nonfarm Job, 1969-95

When BEA releases a new year of data, it also revises the previous 2 years' estimates. The 1993 and 1994 earnings shown in appendix table 9 do not match those published in earlier issues of *RCaT* because of the BEA revisions and because we have now converted those years' earnings to 1995 dollars.

As the earnings ratios shown in appendix table 3 indicate, nonmetro earnings have not kept pace with metro earnings since 1979. Nonmetro earnings did narrow the gap slightly during 1993 and 1994, but again, in 1995 metro earnings grew faster than nonmetro earnings. The gap (in 1995 dollars) between metro and nonmetro earnings was at its widest in 1992, \$8,553, fell to \$8,109 by 1994, but rose to \$8,364 by 1995. [Linda M. Ghelfi, 202-694-5351, lghelfi@econ.ag.gov]

Appendix table 7—Nonfarm jobs by industry and BEA region, 1995

Item	Nonmetro	Metro	Change from previous year, 1994-95		Annual average change since recession, 1991-95	
			Nonmetro	Metro	Nonmetro	Metro
	—Thousands—		—Percent—			
Nonfarm	24,669	121,638	2.3	2.2	2.2	1.7
Agricultural services, forestry, fisheries, other ¹	469	1,353	4.6	4.9	4.5	4.9
Mining	376	546	-1.6	-2.0	-2.7	-2.5
Construction	1,422	6,228	2.9	3.4	4.0	2.7
Manufacturing	4,439	14,787	1.5	.9	1.9	-.2
Transportation and public utilities	1,066	6,014	1.7	2.2	1.6	1.9
Wholesale trade	850	6,104	3.0	3.8	1.6	1.2
Retail trade	4,526	20,655	3.7	3.2	3.3	2.6
Finance, insurance, and real estate	1,206	9,883	-.7	-1.6	.7	0
Services	6,017	38,757	3.5	3.7	2.8	3.2
Government and government enterprises ²	4,298	17,312	.5	-.2	1.0	.3
Federal civilian	373	2,603	-.8	-1.7	-1.2	-1.4
Federal military	389	1,845	-7.6	-7.2	-4.4	-4.4
State and local	3,536	12,864	1.6	1.2	2.0	1.4
State	981	3,768	1.8	1.2	1.7	1.5
Local	2,556	9,095	1.6	1.3	2.0	1.3
Nonfarm jobs by BEA region:						
New England	1,113	6,900	1.9	1.9	1.6	1.4
Mideast	1,748	22,704	1.2	.8	.9	.6
Great Lakes	4,209	20,280	2.5	2.5	2.4	2.0
Plains	3,800	7,240	2.2	2.4	2.1	2.3
Southeast	8,238	26,408	2.2	2.7	2.4	2.7
Southwest	2,277	12,831	2.6	3.3	1.9	2.9
Rocky Mountain	1,468	3,463	3.1	3.5	3.6	3.7
Far West	1,815	21,811	2.3	2.0	1.9	.6

¹Other are employees of foreign embassies working in the United States.

²Government enterprises are government agencies that cover a substantial portion of their operating costs by selling goods and services to the public and that maintain their own separate accounts—for example, the Postal Service.

Source: Calculated by ERS using data from the Bureau of Economic Analysis.

Appendix table 8—Earnings per nonfarm job by industry and BEA region, 1995

			Change from previous year, 1994-95		Average annual change since the recession, 1991-95	
	Nonmetro	Metro	Nonmetro	Metro	Nonmetro	Metro
	Dollars		Percent			
Earnings per nonfarm job	22,314	30,678	0.8	1.4	0.9	0.9
By industry:						
Agricultural services, forestry, fisheries, other ¹	14,455	16,305	.6	-.4	-1.3	-2.0
Mining	37,222	43,230	1.3	3.2	.5	1.2
Construction	24,071	32,290	-2.7	-1.6	-.1	-.5
Manufacturing	30,555	44,705	.5	1.5	1.3	1.5
Transportation and public utilities	34,878	43,308	2.3	.9	1.3	1.0
Wholesale trade	27,205	41,098	1.5	1.5	1.4	1.1
Retail trade	13,382	16,431	.3	.4	-.1	-.2
Finance, insurance, and real estate	15,691	30,923	3.9	5.6	4.7	5.0
Services	18,653	28,414	2.4	2.2	2.0	.9
Government and government enterprises ²	25,077	32,711	1.1	1.1	.6	.9
Federal civilian	38,581	45,453	.3	.4	1.8	2.0
Federal military	16,764	21,982	3.5	5.0	1.1	1.3
State and local	24,568	31,671	.9	.8	.3	.4
State	27,327	31,748	.3	.8	-.3	-.0
Local	23,509	31,639	1.1	.8	.6	.5
By BEA region:						
New England	23,475	32,862	.4	1.9	.1	.7
Mideast	23,726	34,949	.3	1.5	.4	1.0
Great Lakes	23,306	31,124	.4	1.2	1.3	1.4
Plains	20,625	28,522	1.4	1.7	1.2	1.0
Southeast	22,181	27,310	1.1	1.6	1.1	1.0
Southwest	21,022	28,800	.9	1.7	.6	.9
Rocky Mountain	21,432	27,056	.7	2.2	.9	1.4
Far West	24,410	31,600	.5	1.3	.6	.8

¹Other are employees of foreign embassies working in the United States.

²Government enterprises are government agencies that cover a substantial portion of their operating costs by selling goods and services to the public and that maintain their own separate accounts—for example, the Postal Service.

Source: Calculated by ERS using data from the Bureau of Economic Analysis.

Appendix table 9—Real earnings per nonfarm job, 1969-77

Item	1969	1970	1971	1972	1973	1974	1975	1976	1977
1995 dollars									
United States	26,274	26,603	27,054	27,856	28,003	27,271	27,167	27,955	28,151
Nonmetro	20,874	21,173	21,593	22,264	22,590	22,248	22,421	23,337	23,363
Metro	27,413	27,750	28,221	29,059	29,162	28,347	28,189	28,964	29,197
Earnings gap ¹	6,539	6,576	6,628	6,795	6,573	6,099	5,768	5,627	5,833
Percent									
Earnings ratio ²	76.1	76.3	76.5	76.6	77.5	78.5	79.5	80.6	80.0
Change from previous year:									
Nonmetro	NA	1.4	2.0	3.1	1.5	-1.5	.8	4.1	.1
Metro	NA	1.2	1.7	3.0	0.4	-2.8	-.6	2.7	.8
	1978	1979	1980	1981	1982	1983	1984	1985	1986
1995 dollars									
United States	28,418	28,200	27,516	27,301	27,157	27,373	27,939	28,155	28,376
Nonmetro	23,713	23,594	22,896	22,583	22,194	22,253	22,727	22,680	22,567
Metro	29,438	29,189	28,496	28,296	28,197	28,439	29,009	29,258	29,528
Earnings gap ¹	5,725	5,595	5,600	5,713	6,003	6,186	6,282	6,579	6,962
Percent									
Earnings ratio ²	80.6	80.8	80.3	79.8	78.7	78.2	78.3	77.5	76.4
Change from previous year:									
Nonmetro	1.5	-0.5	-3.0	-1.4	-1.7	.3	2.1	-.2	-.5
Metro	.8	-.8	-2.4	-.7	-.4	.9	2.0	.9	.9
	1987	1988	1989	1990	1991	1992	1993	1994	1995
1995 dollars									
United States	28,616	28,948	28,520	28,433	28,216	28,970	28,850	28,875	29,268
Nonmetro	22,344	22,415	22,043	21,712	21,512	21,854	21,810	22,133	22,314
Metro	29,855	30,229	29,791	29,759	29,552	30,407	30,283	30,242	30,678
Earnings gap ¹	7,511	7,814	7,748	8,047	8,040	8,553	8,473	8,109	8,364
Percent									
Earnings ratio ²	74.8	74.2	74.0	73.0	72.8	71.9	72.0	73.2	72.7
Change from previous year:									
Nonmetro	-1.0	.3	-1.7	-1.5	-.9	1.6	-.2	1.5	.8
Metro	1.1	1.3	-1.4	-.1	-.7	2.9	-.4	-.1	1.4

NA = Not applicable. No previous year in the data set from which to compute change.

¹Earnings gap is the number of dollars by which metro earnings per nonfarm job exceed nonmetro earnings per nonfarm job.

²Earnings ratio is the percentage nonmetro earnings per nonfarm job are of metro earnings per nonfarm job.

Source: Calculated by ERS using data from the Bureau of Economic Analysis.